

Message Text

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PASS AGRICULTURE

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SUBJECT: EC COUNCIL OF AGRICULTURAL MINISTERS' MEETING OF MARCH
4, 1975

REF: (A) EC BRUSSELS 01370; (B) EC BRUSSELS 01719; (C) EC
BRUSSELS 01275

1. BEGIN SUMMARY: AGRICULTURAL MINISTERS GAVE THEIR PRELIMINARY
VIEWS ON THE COMMISSION'S STOCKTAKING AT THE COUNCIL MEETING
OF MARCH 4, 1975. THE EC COUNCIL OF AGRICULTURAL MINISTERS
EXPRESSED THE "COUNCIL'S INTENTION" TO FINALIZE THE
MINIMUM IMPORT PRICE SYSTEM FOR PROCESSED FRUITS AND VEGETABLES
AT ITS NEXT MEETING OF APRIL 28-29. BY APRIL, THE COMMISSION,
THROUGH ITS MANAGEMENT COMMITTEE PROCEDURE, IS EXPECTED TO
ALLOW A CERTAIN QUANTITY OF BEEF IMPORTS LINKED TO EC EXPORTS.
END SUMMARY.

2. THE EC COUNCIL OF AGRICULTURAL MINISTERS FINISHED A ONE-DAY
MEETING WITH LITTLE AGREEMENT ON ANY AGENDA ISSUE EXCEPT FOR FORMAL
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ADOPTION OF 1975/76 SUPPORT PRICES. THE FOLLOWING HIGHLIGHTS

THE COUNCIL DISCUSSIONS ON CERTAIN ITEMS OF US INTEREST:

3. BEEF: THERE WAS A "GENERAL AIRING OF VIEWS" ON THE POSSIBILITY OF THE COMMUNITY LIFTING THE IMPORT BAN ON BEEF ALONG THE LINES OF THE "EXIM" PLAN (WITH IMPORTATION CONDITIONAL ON EXPORTS) DISCUSSED IN REF: A. NO FORMAL COMMISSION PROPOSAL WAS PRESENTED TO THE COUNCIL, HOWEVER. COMMISSIONER LARDINOIS BELIEVES THAT THE COMMISSION HAS THE AUTHORITY TO LIFT THE BAN WITHOUT PRIOR COUNCIL APPROVAL. REACTION IN THE COUNCIL WAS GENERALLY FAVORABLE TO THE "EXIM" LINKAGE IDEA, IN SPITE OF PREVIOUS EXPECTATIONS OF STRONGER OPPOSITION FROM FRANCE, ITALY, AND IRELAND. IT SHOULD BE REMEMBERED, HOWEVER, THAT THE "EXIM" PLAN CURRENTLY IN MIND IS ONLY A COSMETIC LIBERALIZATION, SINCE THE TRADE-OFF OF IMPORTS TO EXPORTS DOES NOT CHANGE THE OVERALL EC SUPPLY SITUATION. THE COMMISSION WILL TAKE THE MATTER UP THROUGH ITS MANAGEMENT COMMITTEE PROCEDURE, AND ALL MEMBER STATES APPEAR RESIGNED TO THE FACT THAT THE COMMISSION WILL DECIDE TO ADOPT THE "EXIM" SCHEME. ONE UK DELEGATION SOURCE PRIVATELY GUESSED THAT A FAVORABLE COMMISSION DECISION WOULD COME AS EARLY AS APRIL. (HOWEVER UK MINISTER PEART ADMONISHED A REPORTER THAT HE "WOULD BE CRAZY TO WRITE THAT THE IMPORT BAN WILL BE LIFTED".) A GERMAN PERMREP SOURCE STATED THAT ALTHOUGH THE COMMISSION WOULD END UP AGREEING TO ALLOWING UP TO 100,000 M.T. IN IMPORTS, IT WOULD PROBABLY ELECT TO DO THIS IN AT LEAST TWO TRANCHES. THE DETAILS OF THE "EXIM" SCHEME STILL MUST BE WORKED OUT, E.G., ELIGIBLE AMOUNTS, WHETHER EXPORTED MEAT WOULD COME OUT OF INTERVENTION STOCKS OR THE OPEN MARKET, ETC. THE UK, WITH VERY LIMITED INTERVENTION STOCKS AND EXPORTABLE MEAT, QUESTIONED WHETHER IT COULD BENEFIT FROM THE SCHEME. FRANCE WONDERED ABOUT THE FITNESS OF SOME OF THE MEAT CURRENTLY IN INTERVENTION STOCKS AND WHETHER IT COULD BE EXPORTED.

4. PROCESSED FRUITS AND VEGETABLES: THE COUNCIL RECEIVED AN ORAL REPORT ON THE PROGRESS (OR LACK THEREOF) OF THE SPECIAL AGRICULTURE COMMITTEE (SAC) IN FIXING FLOOR PRICES (MINIMUM IMPORT PRICES) FOR PROCESSED FRUITS AND VEGETABLES. COUNCIL DISCUSSION BOGGED DOWN ON THE SAME DIFFERENCES OF NATIONAL POSITIONS THAT HAVE SHOWN UP IN THE SAC. FRANCE AND ITALY HAVE ASKED FOR A FIVE-YEAR TRANSITION PERIOD DURING WHICH THEY COULD MAINTAIN LIMITED OFFICIAL USE

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THEIR RESPECTIVE NATIONAL QUANTITATIVE RESTRICTIONS ON CERTAIN SENSITIVE ITEMS (IN PARTICULAR CANNED PEACHES AND CITRUS JUICES). GERMANY AND THE UK STATED THAT THIS WOULD DEFEAT THE WHOLE EXERCISE, WHICH THEY DEFINED AS BEING AIMED AT LIBERALIZATION, AND THAT IF OTHER MEMBER STATES WERE ALLOWED EXCEPTIONS, THEY TOO HAD CERTAIN SENSITIVE ITEMS THEY WANTED TO PROTECT. EVEN THOUGH MEMBER STATE DIFFERENCES ARE STRONG, IT IS THE "COUNCIL'S INTENTION" (AND THE COMMISSION'S EXPECTATION)

THAT THE MATTER BE RESOLVED AT THE NEXT COUNCIL OF AGRICULTURAL MINISTERS' MEETING OF APRIL 28-29, 1975. THE MISSION HAS LEARNED THAT THE COMMISSION HAS WORKED OUT THE QUALITY COEFFICIENTS FOR THE PROCESSED FRUITS AND VEGETABLES CONCERNED BUT HAS MADE NO PROGRESS YET IN FIXING ACTUAL MIP LEVELS.

5. NO DECISION WAS TAKEN ON THE GRANTING OF A PRODUCTION SUBSIDY ON CANNED PINEAPPLES FOR THE BENEFIT OF PRODUCERS IN FRENCH OVERSEAS DEPARTMENTS. THE GERMANS WANT A STRICT SUBSIDY CEILING IMPOSED.

6. STOCKTAKING: THE AGRICULTURAL MINISTERS PRESENTED THEIR PRELIMINARY VIEWS ON THE RECENT COMMISSION STOCKTAKING OF THE CAP (REF. B). UK MINISTER PEART PRAISED THE DOCUMENT'S AFFIRMATION THAT PRICE DECISIONS SHOULD BE BASED ON THE NEEDS OF EFFICIENT AND VIABLE FARMS AND THE REAL SUPPLY AND DEMAND SITUATION OF COMMODITIES. HE ASSERTED THAT THE UK POSITION AND ITS RE-NEGOTIATION EFFORT HAD CLEARLY INFLUENCED THE COMMISSION IN ITS DRAFTING OF THE STOCKTAKING. THE UK WOULD PREFER TO SEE MORE FLEXIBILITY IN THE CAP IN TERMS OF NATIONAL DIRECT AIDS AND INCREASED CORESPONSIBILITY OF PRODUCERS FOR SURPLUS DISPOSALS. GERMAN MINISTER ERTL, WHOSE VETO OF LAST OCTOBER'S PRICE INCREASE BROUGHT ON THE STOCKTAKING EXERCISE, DOUBTED THE VIABILITY OF AN AGRICULTURAL POLICY BASED ON COMMON SUPPORT PRICES SO LONG AS THERE IS NO EUROPEAN POLITICAL OR MONETARY UNION. THE DANISH DELEGATION FELT THE STOCKTAKING DID NOT GO FAR ENOUGH IN CONDEMNING NATIONAL AIDS AS CONTRARY TO THE ROME TREATY. OTHER MEMBER STATES' COMMENTS WERE GENERALLY FAVORABLE. THE AGRICULTURAL EXPERTS OF THE MEMBER STATES HAVE NOT YET FORMULATED ANY SPECIFIC RECOMMENDATIONS ON THE STOCKTAKING. THE DOCUMENT WILL BE DISCUSSED AGAIN AT THE NEXT APRIL 28-29 COUNCIL MEETING AND DOUBTLESS AT MANY MEETINGS THEREAFTER.

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7. LAMB AND MUTTON: THE UK STATED THAT IT WAS OPPOSED TO ORGANIZING A COMMON POLICY FOR LAMB AND MUTTON AND SUGGESTED THAT THE CMT RATE OF 20 PERCENT ON IMPORTS BE REDUCED. THIS PROPOSAL IS APPARENTLY LINKED TO THE UK RENEGOTIATION EFFORTS ON BEHALF OF NEW ZEALAND, BUT IT IS DOUBTFUL THAT THE COUNCIL WILL ACT ON IT BEFORE THE UK REFERENDUM DATE, (IF EVER).

8. IN OTHER AREAS, THE COUNCIL DISCUSSED AT LENGTH THE AIDS TO HILL FARMING. THE UK, IRELAND AND ITALY WANT FEAGA TO SHARE MORE THAN 25 PERCENT OF THE COSTS. THIS ISSUE WILL COME UP AT THE NEXT MEETING. THE MINISTERS DISCUSSED BOTH THE NEW IMPORT BAN ON FISH IMPOSED BY FRANCE AND MEMBER STATES' SUBSIDIES IN THE FISH SECTOR. BELGIUM RAISED THE PROBLEM OF POSSIBLE INCREASED FRENCH WHEAT SALES ON ITS MARKET. AS A RESULT OF THE

DEVALUATION OF THE FRENCH FRANC AND A SUPPLEMENTARY 1.25 PERCENT
REDUCTION IN THE MONETARY COMPENSATORY AMOUNTS AGREED AT THE
LAST COUNCIL MEETING (REF. C). THE POSSIBILITY OF
INCREASING FOOD AID TO BANGLADESH WAS BRIEFLY DISCUSSED.
NO DECISIONS WERE TAKEN ON ANY OF THESE ISSUES. GREENWALD

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